
HOUSE BILL 1782

State of Washington

60th Legislature

2007 Regular Session

By Representatives Hinkle and Clibborn

Read first time 01/29/2007. Referred to Committee on State Government & Tribal Affairs.

1 AN ACT Relating to public works contract completion reporting
2 threshold requirements; and amending RCW 60.28.051, 39.08.010, and
3 39.12.040.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 60.28.051 and 1992 c 223 s 4 are each amended to read
6 as follows:

7 Upon completion of a contract, the state, county, or other
8 municipal officer charged with the duty of disbursing or authorizing
9 disbursement or payment of such contracts shall forthwith notify the
10 department of revenue of the completion of contracts over (~~twenty~~)
11 thirty-five thousand dollars. Such officer shall not make any payment
12 from the retained percentage fund or release any retained percentage
13 escrow account to any person, until he or she has received from the
14 department of revenue a certificate that all taxes, increases, and
15 penalties due from the contractor, and all taxes due and to become due
16 with respect to such contract have been paid in full or that they are,
17 in the department's opinion, readily collectible without recourse to
18 the state's lien on the retained percentage.

1 **Sec. 2.** RCW 39.08.010 and 1989 c 145 s 1 are each amended to read
2 as follows:

3 Whenever any board, council, commission, trustees, or body acting
4 for the state or any county or municipality or any public body shall
5 contract with any person or corporation to do any work for the state,
6 county, or municipality, or other public body, city, town, or district,
7 such board, council, commission, trustees, or body shall require the
8 person or persons with whom such contract is made to make, execute, and
9 deliver to such board, council, commission, trustees, or body a good
10 and sufficient bond, with a surety company as surety, conditioned that
11 such person or persons shall faithfully perform all the provisions of
12 such contract and pay all laborers, mechanics, and subcontractors and
13 materialmen, and all persons who supply such person or persons, or
14 subcontractors, with provisions and supplies for the carrying on of
15 such work, which bond in cases of cities and towns shall be filed with
16 the clerk or comptroller thereof, and any person or persons performing
17 such services or furnishing material to any subcontractor shall have
18 the same right under the provisions of such bond as if such work,
19 services, or material was furnished to the original contractor:
20 PROVIDED, HOWEVER, That the provisions of RCW 39.08.010 through
21 39.08.030 shall not apply to any money loaned or advanced to any such
22 contractor, subcontractor or other person in the performance of any
23 such work: PROVIDED FURTHER, That on contracts of (~~twenty-five~~)
24 thirty-five thousand dollars or less, at the option of the contractor
25 the respective public entity may, in lieu of the bond, retain fifty
26 percent of the contract amount for a period of thirty days after date
27 of final acceptance, or until receipt of all necessary releases from
28 the department of revenue and the department of labor and industries
29 and settlement of any liens filed under chapter 60.28 RCW, whichever is
30 later: PROVIDED FURTHER, That for contracts of one hundred thousand
31 dollars or less, the public entity may accept a full payment and
32 performance bond from an individual surety or sureties: AND PROVIDED
33 FURTHER, That the surety must agree to be bound by the laws of the
34 state of Washington and subjected to the jurisdiction of the state of
35 Washington.

36 **Sec. 3.** RCW 39.12.040 and 1991 c 15 s 1 are each amended to read
37 as follows:

1 (1) Except as provided in subsection (2) of this section, before
2 payment is made by or on behalf of the state, or any county,
3 municipality, or political subdivision created by its laws, of any sum
4 or sums due on account of a public works contract, it shall be the duty
5 of the officer or person charged with the custody and disbursement of
6 public funds to require the contractor and each and every subcontractor
7 from the contractor or a subcontractor to submit to such officer a
8 "Statement of Intent to Pay Prevailing Wages". For a contract in
9 excess of ten thousand dollars, the statement of intent to pay
10 prevailing wages shall include:

11 (a) The contractor's registration certificate number; and

12 (b) The prevailing rate of wage for each classification of workers
13 entitled to prevailing wages under RCW 39.12.020 and the estimated
14 number of workers in each classification.

15 Each statement of intent to pay prevailing wages must be approved
16 by the industrial statistician of the department of labor and
17 industries before it is submitted to said officer. Unless otherwise
18 authorized by the department of labor and industries, each voucher
19 claim submitted by a contractor for payment on a project estimate shall
20 state that the prevailing wages have been paid in accordance with the
21 prefiled statement or statements of intent to pay prevailing wages on
22 file with the public agency. Following the final acceptance of a
23 public works project, it shall be the duty of the officer charged with
24 the disbursement of public funds, to require the contractor and each
25 and every subcontractor from the contractor or a subcontractor to
26 submit to such officer an "Affidavit of Wages Paid" before the funds
27 retained according to the provisions of RCW 60.28.010 are released to
28 the contractor. Each affidavit of wages paid must be certified by the
29 industrial statistician of the department of labor and industries
30 before it is submitted to said officer.

31 (2) As an alternate to the procedures provided for in subsection
32 (1) of this section, for public works projects of two thousand five
33 hundred dollars or less and for projects where the limited public works
34 process under RCW 39.04.155(3) is followed:

35 (a) An awarding agency may authorize the contractor or
36 subcontractor to submit the statement of intent to pay prevailing wages
37 directly to the officer or person charged with the custody or
38 disbursement of public funds in the awarding agency without approval by

1 the industrial statistician of the department of labor and industries.
2 The awarding agency shall retain such statement of intent to pay
3 prevailing wages for a period of not less than three years.

4 (b) Upon final acceptance of the public works project, the awarding
5 agency shall require the contractor or subcontractor to submit an
6 affidavit of wages paid. Upon receipt of the affidavit of wages paid,
7 the awarding agency may pay the contractor or subcontractor in full,
8 including funds that would otherwise be retained according to the
9 provisions of RCW 60.28.010. Within thirty days of receipt of the
10 affidavit of wages paid, the awarding agency shall submit the affidavit
11 of wages paid to the industrial statistician of the department of labor
12 and industries for approval.

13 (c) A statement of intent to pay prevailing wages and an affidavit
14 of wages paid shall be on forms approved by the department of labor and
15 industries.

16 (d) In the event of a wage claim and a finding for the claimant by
17 the department of labor and industries where the awarding agency has
18 used the alternative process provided for in subsection (2) of this
19 section, the awarding agency shall pay the wages due directly to the
20 claimant. If the contractor or subcontractor did not pay the wages
21 stated in the affidavit of wages paid, the awarding agency may take
22 action at law to seek reimbursement from the contractor or
23 subcontractor of wages paid to the claimant, and may prohibit the
24 contractor or subcontractor from bidding on any public works contract
25 of the awarding agency for up to one year.

26 (e) Nothing in this section shall be interpreted to allow an
27 awarding agency to subdivide any public works project of more than two
28 thousand five hundred dollars for the purpose of circumventing the
29 procedures required by RCW 39.12.040(1).

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